

Part III Statement of Program Service AccomplishmentsCheck if Schedule O contains a response to any question in this Part III 1 Briefly describe the organization's mission

THE MONTEREY HISTORY AND ART ASSOCIATION SHARES THE HISTORIES AND THE DIVERSE LEGACIES OF PEOPLE, STORIES, AND PLACES THAT CONTINUE TO SHAPE MONTEREY.

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? Yes No

If 'Yes,' describe these new services on Schedule O

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services? Yes No
If 'Yes,' describe these changes on Schedule O4 Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported4a (Code ) (Expenses \$ 429,628 including grants of \$ _____) (Revenue \$ 11,473)

THE MONTEREY HISTORY AND ART ASSOCIATION IS MAINTAINED TO PRESERVE HISTORIC ADOBE HOMES, BUILDINGS, BOOKS, PICTURES, COSTUMES, PAINTINGS, AND OTHER ARTIFACTS. HISTORIC BUILDING PRESERVATION MAINTAINS AND PRESERVES HISTORIC BUILDINGS. MEMBERS OF THE PUBLIC REGULARLY WALK THE MONTEREY PATH OF HISTORY TO VIEW HISTORIC ARCHITECTURE. THE MUSEUM OF MONTEREY, OPERATED BY MONTEREY HISTORY AND ART ASSOCIATION, HAS AN EMPHASIS ON HISTORY, ART, INNOVATION AND OUR MARITIME HERITAGE.

4b (Code ) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)4c (Code ) (Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)4d Other program services (Describe in Schedule O)

(Expenses \$ _____ including grants of \$ _____) (Revenue \$ _____)

4e Total program service expenses ► 429,628

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If 'Yes,' complete Schedule A	1 X	
2 Is the organization required to complete Schedule B, Schedule of Contributors? (see instructions)	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If 'Yes,' complete Schedule C, Part I	3 X	
4 Section 501(c)(3) organizations Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? If 'Yes,' complete Schedule C, Part II	4 X	
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? If 'Yes,' complete Schedule C, Part III	5	
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If 'Yes,' complete Schedule D, Part I	6 X	
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas or historic structures? If 'Yes,' complete Schedule D, Part II	7 X	
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If 'Yes,' complete Schedule D, Part III	8 X	
9 Did the organization report an amount in Part X, line 21, serve as a custodian for amounts not listed in Part X, or provide credit counseling, debt management, credit repair, or debt negotiation services? If 'Yes,' complete Schedule D, Part IV	9 X	
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If 'Yes,' complete Schedule D, Part V	10 X	
11 If the organization's answer to any of the following questions is 'Yes', then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable		
a Did the organization report an amount for land, buildings and equipment in Part X, line 10? If 'Yes,' complete Schedule D, Part VI	11a X	
b Did the organization report an amount for investments— other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VII	11b X	
c Did the organization report an amount for investments— program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part VIII	11c X	
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If 'Yes,' complete Schedule D, Part IX	11d X	
e Did the organization report an amount for other liabilities in Part X, line 25? If 'Yes,' complete Schedule D, Part X	11e X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? If 'Yes,' complete Schedule D, Part XI	11f X	
12a Did the organization obtain separate, independent audited financial statements for the tax year? If 'Yes,' complete Schedule D, Parts XI, XII, and XIII	12a X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? If 'Yes,' and if the organization answered 'No' to line 12a, then completing Schedule D, Parts XI, XII, and XIII is optional	12b X	
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If 'Yes,' complete Schedule E	13 X	
14a Did the organization maintain an office, employees, or agents outside of the United States?	14a X	
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If 'Yes,' complete Schedule F, Parts I and IV	14b X	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If 'Yes,' complete Schedule F, Parts II and IV	15 X	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If 'Yes,' complete Schedule F, Parts III and IV	16 X	
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If 'Yes,' complete Schedule G, Part I (see instructions)	17 X	
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If 'Yes,' complete Schedule G, Part II	18 X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If 'Yes,' complete Schedule G, Part III	19 X	
20 a Did the organization operate one or more hospitals? If 'Yes,' complete Schedule H	20 X	
b If 'Yes' to line 20a, did the organization attach its audited financial statements to this return? Note. Some Form 990 filers that operate one or more hospitals must attach audited financial statements (see instructions)	20b	

Part IV Checklist of Required Schedules (continued)

	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? If 'Yes,' complete Schedule I, Parts I and II	21	X
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? If 'Yes,' complete Schedule I, Parts I and III	22	X
23 Did the organization answer 'Yes' to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? If 'Yes,' complete Schedule J	23	X
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, and that was issued after December 31, 2002? If 'Yes,' answer lines 24b through 24d and complete Schedule K. If 'No,' go to line 25	24a	X
b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	24b	
c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	24c	
d Did the organization act as an 'on behalf of' issuer for bonds outstanding at any time during the year?	24d	
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? If 'Yes,' complete Schedule L, Part I	25a	X
b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? If 'Yes,' complete Schedule L, Part I	25b	X
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? If 'Yes,' complete Schedule L, Part II	26	X
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? If 'Yes,' complete Schedule L, Part III	27	X
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions)	28a	X
a A current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV	28b	X
b A family member of a current or former officer, director, trustee, or key employee? If 'Yes,' complete Schedule L, Part IV	28c	X
c An entity of which a current or former officer, director, trustee, or key employee (or a family member thereof) was an officer, director, trustee, or direct or indirect owner? If 'Yes,' complete Schedule L, Part IV	29	X
29 Did the organization receive more than \$25,000 in non-cash contributions? If 'Yes,' complete Schedule M	30	X
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? If 'Yes,' complete Schedule M	31	X
31 Did the organization liquidate, terminate, or dissolve and cease operations? If 'Yes,' complete Schedule N, Part I	32	X
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? If 'Yes,' complete Schedule N, Part II	33	X
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? If 'Yes,' complete Schedule R, Part I	34	X
34 Was the organization related to any tax-exempt or taxable entity? If 'Yes,' complete Schedule R, Parts II, III, IV, and V, line 1	35	X
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)?		
a Did the organization receive any payment from or engage in any transaction with a controlled entity within the meaning of section 512(b)(13)? If 'Yes,' complete Schedule R, Part V, line 2	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? If 'Yes,' complete Schedule R, Part V, line 2	36	X
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? If 'Yes,' complete Schedule R, Part VI	37	X
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O	38	X

BAA

Form 990 (2010)

Part.V Statements Regarding Other IRS Filings and Tax ComplianceCheck if Schedule O contains a response to any question in this Part V

		Yes	No
1a	0		
1b	0		
1c			
2a	12		
2b	X		
3a	X		
3b			
4a	X		
4b			
5a	X		
5b	X		
5c			
6a	X		
6b			
7a	X		
7b			
7c	X		
7d			
7e	X		
7f	X		
7g			
7h			
8			
9a			
9b			
10a			
10b			
11a			
11b			
12a			
12b			
13a			
13b			
13c			
14a	X		
14b			
1a	0		
1b	0		
1c			
2a	12		
2b	X		
3a	X		
3b			
4a	X		
4b			
5a	X		
5b	X		
5c			
6a	X		
6b			
7a	X		
7b			
7c	X		
7d			
7e	X		
7f	X		
7g			
7h			
8			
9a			
9b			
10a			
10b			
11a			
11b			
12a			
12b			
13a			
13b			
13c			
14a	X		
14b			
1a	0		
1b	0		
1c			
2a	12		
2b	X		
3a	X		
3b			
4a	X		
4b			
5a	X		
5b	X		
5c			
6a	X		
6b			
7a	X		
7b			
7c	X		
7d			
7e	X		
7f	X		
7g			
7h			
8			
9a			
9b			
10a			
10b			
11a			
11b			
12a			
12b			
13a			
13b			
13c			
14a	X		
14b			

Part VI **Governance, Management and Disclosure** For each 'Yes' response to lines 2 through 7b below, and for a 'No' response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI

Section A. Governing Body and Management

		Yes	No
1a		8	
1b		8	
2		X	
3		X	
4		X	
5	X		
6	X		
7a	X		
7b	X		
8a	X		
8b	X		
9		X	

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a		X
10b		
11a	X	
12a	X	
12b	X	
12c	X	
13	X	
14	X	
15a	X	
15b	X	
16a		X
16b		

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed ► CA
- 18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply

Own website Another's website Upon request
- 19 Describe in Schedule O whether (and if so, how) the organization makes its governing documents, conflict of interest policy, and financial statements available to the public SEE SCHEDULE O
- 20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization
► CHRISTINE E. SINNOTT 5 CUSTOM HOUSE PLAZA MONTEREY CA 93940 831-372-2608

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors

Check if Schedule O contains a response to any question in this Part VII

Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed Report compensation for the calendar year ending with or within the organization's tax year

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation Enter -0- in columns (D), (E), and (F) if no compensation was paid
- List all of the organization's **current** key employees, if any. See instructions for definition of 'key employee'
- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations
- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations
- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations

List persons in the following order individual trustees or directors, institutional trustees; officers, key employees, highest compensated employees, and former such persons

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee

(A) Name and title	(B) Average hours per week (describe hours for related organizations in Schedule O)	(C) Position (check all that apply)					(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated			
(1) TOM HOOD PRESIDENT	40	X					0.	0.	0.
(2) MARK BAER VICE PRESIDENT	40	X					0.	0.	0.
(3) JON ENNS TREASURER	10	X					0.	0.	0.
(4) ERIC SANDS SECRETARY	10	X					0.	0.	0.
(5) LYMAN HAMILTON DIRECTOR	2	X					0.	0.	0.
(6) YVONNE ASCHER DIRECTOR	2	X					0.	0.	0.
(7) RANKO RADOMAN DIRECTOR	2	X					0.	0.	0.
(8) BILL WOJTKOWSKI DIRECTOR	2	X					0.	0.	0.
(9) LISA COSCINO CREATIVE DIRECT	40		X				27,000.	0.	0.
(10) JOHN BAILEY EXECUTIVE DIREC	40		X				14,491.	0.	0.
(11) DEBBIE SOARES CONTROLLER	40			X			25,532.	0.	0.
(12)									
(13)									
(14)									
(15)									
(16)									
(17)									

Part VII: Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (cont)

(A) Name and title	(B) Average hours per week (describe hours for related organi- zations in Sch O)	(c) Position (check all that apply)				(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations	
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated	Former		
(18)									
(19)									
(20)									
(21)									
(22)									
(23)									
(24)									
(25)									
(26)									
(27)									
(28)									
(29)									
1b Sub-total						► 67,023.	0.	0.	
c Total from continuation sheets to Part VII, Section A						► 0.	0.	0.	
d Total (add lines 1b and 1c)						► 67,023.	0.	0.	

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization ► 0

	Yes	No
3	X	
4	X	
5	X	

3 Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If 'Yes,' complete Schedule J for such individual

4 For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If 'Yes' complete Schedule J for such individual

5 Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? If 'Yes,' complete Schedule J for such person

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization

(A) Name and business address	(B) Description of services	(C) Compensation
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization ► 0		

Part VIII Statement of Revenue

		(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
CONTRIBUTIONS, GIFTS, GRANTS AND OTHER SIMILAR AMOUNTS	1a Federated campaigns	1a			
	b Membership dues	1b 11,703.			
	c Fundraising events	1c			
	d Related organizations	1d			
	e Government grants (contributions)	1e			
	f All other contributions, gifts, grants, and similar amounts not included above	1f 35,968.			
	g Noncash contributions included in Ins 1a-1f: \$				
	h Total. Add lines 1a-1f		47,671.		
PROGRAM SERVICE REVENUE		Business Code			
	2a STANTON CENTER		7,873.	7,873.	
	b HISTORIC MONTEREY		3,600.	3,600.	
	c				
	d				
	e				
	f All other program service revenue				
	g Total. Add lines 2a-2f		11,473.		
3 Investment income (including dividends, interest and other similar amounts)		13,362.		13,362.	
4 Income from investment of tax-exempt bond proceeds					
5 Royalties					
6a Gross Rents	(i) Real	(ii) Personal			
	23,122.				
b Less rental expenses	14,871.				
c Rental income or (loss)	8,251.				
d Net rental income or (loss)		8,251.		8,251.	
7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other			
b Less cost or other basis and sales expenses					
c Gain or (loss)					
d Net gain or (loss)					
8a Gross income from fundraising events (not including \$ _____ of contributions reported on line 1c)					
See Part IV, line 18	a	37,379.			
b Less direct expenses	b	30,608.			
c Net income or (loss) from fundraising events		6,771.		6,771.	
9a Gross income from gaming activities See Part IV, line 19	a				
b Less direct expenses	b				
c Net income or (loss) from gaming activities					
10a Gross sales of inventory, less returns and allowances	a	18,550.			
b Less cost of goods sold	b	21,758.			
c Net income or (loss) from sales of inventory		-3,208.		-3,208.	
Miscellaneous Revenue	Business Code				
11a OTHER REVENUE	900099	17,093.	17,093.		
b					
c					
d All other revenue					
e Total. Add lines 11a-11d		17,093.			
12 Total revenue. See instructions		101,413.	28,566.	0.	25,176.

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns
All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21				
2 Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3 Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4 Benefits paid to or for members				
5 Compensation of current officers, directors, trustees, and key employees	59,344.	35,606.	11,869.	11,869.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)	0.	0.	0.	0.
7 Other salaries and wages	174,131.	95,550.	75,388.	3,193.
8 Pension plan contributions (include section 401(k) and section 403(b) employer contributions)				
9 Other employee benefits	12,760.	300.	12,460.	
10 Payroll taxes	26,287.		26,287.	
11 Fees for services (non-employees)				
a Management				
b Legal	12,298.	400.	11,898.	
c Accounting	17,395.	2,473.	14,922.	
d Lobbying				
e Professional fundraising services See Part IV, line 17				
f Investment management fees	293.		293.	
g Other	3,123.	756.	2,367.	
12 Advertising and promotion				
13 Office expenses	9,150.	4,341.	4,141.	668.
14 Information technology				
15 Royalties				
16 Occupancy	28,494.	28,438.	56.	
17 Travel				
18 Payments of travel or entertainment expenses for any federal, state, or local public officials				
19 Conferences, conventions, and meetings				
20 Interest				
21 Payments to affiliates				
22 Depreciation, depletion, and amortization	142,875.	141,928.	947.	
23 Insurance	51,005.	25,255.	25,750.	
24 Other expenses Itemize expenses not covered above (List miscellaneous expenses in line 24f If line 24f amount exceeds 10% of line 25, column (A) amount, list line 24f expenses on Schedule O)				
a REPAIRS & MAINTENANCE	54,855.	53,489.	1,366.	
b JANITORIAL	11,250.	11,250.		
c TELEPHONE & INTERNET	8,702.	3,754.	4,948.	
d WEBSITE EXPENSES	7,615.	7,615.		
e SUPPLIES	5,271.	5,271.		
f All other expenses	26,241.	13,202.	12,555.	484.
25 Total functional expenses Add lines 1 through 24f	651,089.	429,628.	205,247.	16,214.
26 Joint costs. Check here ► <input type="checkbox"/> if following SOP 98-2 (ASC 958-720) Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
ASSETS	1 Cash – non-interest-bearing.		1	21,714.
	2 Savings and temporary cash investments	178,139.	2	263,686.
	3 Pledges and grants receivable, net		3	2,000.
	4 Accounts receivable, net	6,455.	4	
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions)		6	
	7 Notes and loans receivable, net	8,800.	7	
	8 Inventories for sale or use	8,246.	8	
	9 Prepaid expenses and deferred charges		9	
	10a Land, buildings, and equipment cost or other basis Complete Part VI of Schedule D	10a 5,577,900.		
	b Less accumulated depreciation	10b 2,658,809.	10c 2,752,353.	10c 2,919,091.
	11 Investments – publicly traded securities		11	
	12 Investments – other securities See Part IV, line 11	1,452,759.	12	623,203.
	13 Investments – program-related See Part IV, line 11		13	
	14 Intangible assets	500.	14	
	15 Other assets See Part IV, line 11	370,153.	15	370,153.
	16 Total assets Add lines 1 through 15 (must equal line 34)	4,777,405.	16	4,199,847.
LIABILITIES	17 Accounts payable and accrued expenses	22,206.	17	2,722.
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities Complete Part X of Schedule D		25	
	26 Total liabilities Add lines 17 through 25	22,206.	26	2,722.
NET ASSETS OR FUNDS	Organizations that follow SFAS 117, check here ► <input checked="" type="checkbox"/> and complete lines 27 through 29 and lines 33 and 34.			
	27 Unrestricted net assets	3,526,379.	27	2,968,305.
	28 Temporarily restricted net assets	687,012.	28	687,012.
	29 Permanently restricted net assets	541,808.	29	541,808.
	Organizations that do not follow SFAS 117, check here ► <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances	4,755,199.	33	4,197,125.
	34 Total liabilities and net assets/fund balances	4,777,405.	34	4,199,847.

BAA

Form 990 (2010)

Part XI: Reconciliation of Net AssetsCheck if Schedule O contains a response to any question in this Part XI

1 Total revenue (must equal Part VIII, column (A), line 12)	1	101,413.
2 Total expenses (must equal Part IX, column (A), line 25)	2	651,089.
3 Revenue less expenses Subtract line 2 from line 1	3	-549,676.
4 Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	4,755,199.
5 Other changes in net assets or fund balances (explain in Schedule O) SEE SCHEDULE O	5	-8,398.
6 Net assets or fund balances at end of year Combine lines 3, 4, and 5 (must equal Part X, line 33, column (B))	6	4,197,125.

Part XII: Financial Statements and ReportingCheck if Schedule O contains a response to any question in this Part XII

1 Accounting method used to prepare the Form 990 Cash Accrual Other _____

	Yes	No
1		
2a	X	
2b	X	

If the organization changed its method of accounting from a prior year or checked 'Other,' explain in Schedule O

2a Were the organization's financial statements compiled or reviewed by an independent accountant?

2a	X
2b	X
2c	

b Were the organization's financial statements audited by an independent accountant?

2c	
3a	
3b	

c If 'Yes' to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant?

3a	X
3b	

If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O

d If 'Yes' to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a separate basis, consolidated basis, or both:

3a	X
3b	

Separate basis Consolidated basis Both consolidated and separate basis

3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133?

3b	
3a	

b If 'Yes,' did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

SCHEDULE A
 (Form 990 or 990-EZ)
Department of the Treasury
Internal Revenue Service**Public Charity Status and Public Support**

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

2010**Open to Public Inspection**

► Attach to Form 990 or Form 990-EZ. ► See separate instructions.

Name of the organization

MONTEREY HISTORY AND ART ASSOCIATION LTD

Employer identification number

94-1517208

Part I Reason for Public Charity Status (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box)

1 A church, convention of churches or association of churches described in **section 170(b)(1)(A)(i)**.
 2 A school described in **section 170(b)(1)(A)(ii)**. (Attach Schedule E)
 3 A hospital or a cooperative hospital service organization described in **section 170(b)(1)(A)(iii)**.
 4 A medical research organization operated in conjunction with a hospital described in **section 170(b)(1)(A)(iv)**. Enter the hospital's name, city, and state:
 5 An organization operated for the benefit of a college or university owned or operated by a governmental unit described in **section 170(b)(1)(A)(v)**.
 6 A federal, state, or local government or governmental unit described in **section 170(b)(1)(A)(vi)**.
 7 An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in **section 170(b)(1)(A)(vii)**. (Complete Part II)
 8 A community trust described in **section 170(b)(1)(A)(viii)**. (Complete Part II)
 9 An organization that normally receives: (1) more than 33-1/3% of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions – subject to certain exceptions, and (2) no more than 33-1/3% of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See **section 509(a)(2)**. (Complete Part III)
 10 An organization organized and operated exclusively to test for public safety. See **section 509(a)(4)**.
 11 An organization organized and operated exclusively for the benefit of, to perform the functions of, or carry out the purposes of one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**. See **section 509(a)(3)**. Check the box that describes the type of supporting organization and complete lines 11e through 11h
 a Type I b Type II c Type III – Functionally integrated d Type III – Other
 e By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in **section 509(a)(1)** or **section 509(a)(2)**
 f If the organization received a written determination from the IRS that is a Type I, Type II or Type III supporting organization, check this box
 g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?

	Yes	No
11g (i)		
11g (ii)		
11g (iii)		

h Provide the following information about the supported organization(s)

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in column (i) listed in your governing document?		(v) Did you notify the organization in column (i) of your support?		(vi) Is the organization in column (i) organized in the U.S.?		(vii) Amount of support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
Total									

BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2010

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)

(Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions, and membership fees received (Do not include "unusual grants")	189,247.	178,527.	108,685.	202,451.	35,968.	714,878.
2 Tax revenues levied for the organization's benefit and either paid to it or expended on its behalf						0.
3 The value of services or facilities furnished by a governmental unit to the organization without charge					37,800.	37,800.
4 Total. Add lines 1 through 3	189,247.	178,527.	108,685.	202,451.	73,768.	752,678.
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						519.
6 Public support. Subtract line 5 from line 4						752,159.

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
7 Amounts from line 4	189,247.	178,527.	108,685.	202,451.	73,768.	752,678.
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	85,919.	103,580.	44,594.	176,924.	36,484.	447,501.
9 Net income from unrelated business activities, whether or not the business is regularly carried on					6,771.	6,771.
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV) SEE PART IV					17,093.	17,093.
11 Total support. Add lines 7 through 10						1,224,043.
12 Gross receipts from related activities, etc (see instructions)					12	41,726.
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here						► <input type="checkbox"/>

Section C. Computation of Public Support Percentage

14 Public support percentage for 2010 (line 6, column (f) divided by line 11, column (f))	14	61.5 %
15 Public support percentage from 2009 Schedule A, Part II, line 14	15	68.6 %
16a 33-1/3% support test – 2010. If the organization did not check the box on line 13, and the line 14 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		► <input checked="" type="checkbox"/>
b 33-1/3% support test – 2009. If the organization did not check a box on line 13 or 16a, and line 15 is 33-1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization		► <input type="checkbox"/>
17a 10%-facts-and-circumstances test – 2010. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization		► <input type="checkbox"/>
b 10%-facts-and-circumstances test – 2009. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the 'facts-and-circumstances' test, check this box and stop here. Explain in Part IV how the organization meets the 'facts-and-circumstances' test. The organization qualifies as a publicly supported organization		► <input type="checkbox"/>
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions		► <input type="checkbox"/>

Part III Support Schedule for Organizations Described in Section 509(a)(2)

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

Section A. Public Support

Calendar year (or fiscal yr beginning in) ▶

	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
1 Gifts, grants, contributions and membership fees received (Do not include any 'unusual grants')						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6)						

Section B. Total Support

Calendar year (or fiscal yr beginning in) ▶

	(a) 2006	(b) 2007	(c) 2008	(d) 2009	(e) 2010	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income Do not include gain or loss from the sale of capital assets (Explain in Part IV)						
13 Total support. (Add Ins 9, 10c, 11, and 12)						

14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and **stop here** ►

Section C. Computation of Public Support Percentage

15 Public support percentage for 2010 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2009 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2010 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2009 Schedule A, Part III, line 17	18	%

19a 33-1/3% support tests – 2010. If the organization did not check the box on line 14, and line 15 is more than 33-1/3%, and line 17 is not more than 33-1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

b 33-1/3% support tests – 2009. If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33-1/3%, and line 18 is not more than 33-1/3%, check this box and **stop here**. The organization qualifies as a publicly supported organization ►

20 Private foundation. If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ►

Part IV

Supplemental Information. Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

SCHEDULE D
(Form 990)Department of the Treasury
Internal Revenue Service

OMB No 1545-0047

2010**Open to Public
Inspections****Supplemental Financial Statements**

- Complete if the organization answered 'Yes,' to Form 990, Part IV, lines 6, 7, 8, 9, 10, 11, or 12.
- Attach to Form 990. ► See separate instructions.

Name of the organization

Employer identification number

MONTEREY HISTORY AND ART ASSOCIATION LTD

94-1517208

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered 'Yes' to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		

5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? Yes No

6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? Yes No

Part II Conservation Easements. Complete if the organization answered 'Yes' to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply)

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year

Held at the End of the Tax Year
2a
2b
2c
2d

a Total number of conservation easements

b Total acreage restricted by conservation easements

c Number of conservation easements on a certified historic structure included in (a)

d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ► _____

4 Number of states where property subject to conservation easement is located ► _____

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? Yes No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ► _____

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$ _____

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? Yes No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.
Complete if the organization answered 'Yes' to Form 990, Part IV, line 8

1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items SEE PART XIV

b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items

(i) Revenues included in Form 990, Part VIII, line 1 ► \$ _____

(ii) Assets included in Form 990, Part X ► \$ _____

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items

a Revenues included in Form 990, Part VIII, line 1 ► \$ _____

b Assets included in Form 990, Part X ► \$ _____

Part III | Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply).

a Public exhibition
 b Scholarly research
 c Preservation for future generations

d Loan or exchange programs
 e Other _____

4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV SEE PART XIV

5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? Yes No

Part IV | Escrow and Custodial Arrangements. Complete if organization answered 'Yes' to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

1a Is the organization an agent, trustee, custodian, or other intermediary for contributions or other assets not included on Form 990, Part X? Yes No

b If 'Yes,' explain the arrangement in Part XIV and complete the following table

	Amount
1c	
1d	
1e	
1f	

2a Did the organization include an amount on Form 990, Part X, line 21? Yes No

b If 'Yes,' explain the arrangement in Part XIV

Part V | Endowment Funds. Complete if the organization answered 'Yes' to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance	541,808.	541,808.	541,808.		
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance	541,808.	541,808.	541,808.		

2 Provide the estimated percentage of the year end balance held as:

a Board designated or quasi-endowment ► _____ %

b Permanent endowment ► 100.00 %

c Term endowment ► _____ %

3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations

(ii) related organizations

b If 'Yes' to 3a(ii), are the related organizations listed as required on Schedule R?

4 Describe in Part XIV the intended uses of the organization's endowment funds SEE PART XIV

Part VI | Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings		5,137,673.	2,290,542.	2,847,131.
c Leasehold improvements		197,476.	156,791.	40,685.
d Equipment		242,751.	211,476.	31,275.
e Other				
Total. Add lines 1a through 1e (Column (d) must equal Form 990, Part X, column (B), line 10(c))				2,919,091.

BAA

Schedule D (Form 990) 2010

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1) Financial derivatives		
(2) Closely-held equity interests		
(3) Other <u>MUTUAL FUNDS</u>	623,203.	END OF YEAR MARKET VALUE
(A)		
(B)		
(C)		
(D)		
(E)		
(F)		
(G)		
(H)		
(I)		
Total. (Column (b) must equal Form 990 Part X, column (B) line 12) ►	623,203.	

Part VIII Investments—Program Related. (See Form 990, Part X, line 13) N/A

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
Total. (Column (b) must equal Form 990, Part X, column (B) line 13) ►		

Part IX Other Assets. (See Form 990, Part X, line 15)

(a) Description	(b) Book value
(1) HISTORIC ADOBES	38,836.
(2) INTEREST IN CHARITABLE REMAINDER TRUST	16,317.
(3) LAND LEASE, NET	315,000.
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
Total. (Column (b) must equal Form 990, Part X, column(B), line 15) ►	370,153.

Part X Other Liabilities. (See Form 990, Part X, line 25)

(a) Description of liability	(b) Amount
(1) Federal income taxes	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
Total. (Column (b) must equal Form 990, Part X, column (B) line 25) ►	

2. FIN 48 (ASC 740) Footnote In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740)

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

N/A

- 1 Total revenue (Form 990, Part VIII, column (A), line 12)
- 2 Total expenses (Form 990, Part IX, column (A), line 25)
- 3 Excess or (deficit) for the year. Subtract line 2 from line 1
- 4 Net unrealized gains (losses) on investments
- 5 Donated services and use of facilities
- 6 Investment expenses
- 7 Prior period adjustments
- 8 Other (Describe in Part XIV)
- 9 Total adjustments (net) Add lines 4 through 8
- 10 Excess or (deficit) for the year per audited financial statements Combine lines 3 and 9

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return N/A

- 1 Total revenue, gains, and other support per audited financial statements
- 2 Amounts included on line 1 but not on Form 990, Part VIII, line 12:
 - a Net unrealized gains on investments
 - b Donated services and use of facilities
 - c Recoveries of prior year grants
 - d Other (Describe in Part XIV)
 - e Add lines 2a through 2d
- 3 Subtract line 2e from line 1
- 4 Amounts included on Form 990, Part VIII, line 12, but not on line 1
 - a Investments expenses not included on Form 990, Part VIII, line 7b
 - b Other (Describe in Part XIV)
 - c Add lines 4a and 4b
- 5 Total revenue Add lines 3 and 4c. (This must equal Form 990, Part I, line 12)

1	
2a	
2b	
2c	
2d	
2e	
3	
4a	
4b	
4c	
5	

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return N/A

- 1 Total expenses and losses per audited financial statements
- 2 Amounts included on line 1 but not on Form 990, Part IX, line 25
 - a Donated services and use of facilities
 - b Prior year adjustments
 - c Other losses
 - d Other (Describe in Part XIV)
 - e Add lines 2a through 2d
- 3 Subtract line 2e from line 1
- 4 Amounts included on Form 990, Part IX, line 25, but not on line 1:
 - a Investments expenses not included on Form 990, Part VIII, line 7b
 - b Other (Describe in Part XIV)
 - c Add lines 4a and 4b
- 5 Total expenses Add lines 3 and 4c. (This must equal Form 990, Part I, line 18)

1	
2a	
2b	
2c	
2d	
2e	
3	
4a	
4b	
4c	
5	

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9, Part III, lines 1a and 4, Part IV, lines 1b and 2b, Part V, line 4, Part X, line 2, Part XI, line 8, Part XII, lines 2d and 4b, and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

PART III, LINE 1A - E/S FOOTNOTE FOR ART, TREASURES, ETC.

THE ASSOCIATION'S WORKS OF ART, ARTIFACTS AND MATERIALS INCLUDE OLD ADOBE HOMES,

IMPORTANT HISTORICAL GOVERNMENT BUILDINGS, BOOKS, MANUSCRIPTS, PICTURES, COSTUMES,

PAINTINGS, FURNITURE AND OTHER HISTORIC ARTIFACTS THAT PLAYED A DISTINCTIVE PART IN

THE HISTORY OF EARLY SPANISH, MEXICAN AND AMERICAN CALIFORNIA.

PART III, LINE 4 - DESCRIPTION OF ORGANIZATION'S COLLECTIONS AND HOW FURTHERS EXEMPT PURPOSE

THE ASSOCIATION'S COLLECTION IS COMPRISED OF WORKS OF ART, ARTIFACTS AND MATERIALS

INCLUDE OLD ADOBE HOMES, IMPORTANT HISTORICAL GOVERNMENT BUILDINGS, BOOKS,

Part XIV Supplemental Information (continued)**PART III, LINE 4 - DESCRIPTION OF ORGANIZATION'S COLLECTIONS AND HOW FURTHERS EXEMPT PURPOSE**

MANUSCRIPTS, PICTURES, COSTUMES, PAINTINGS, FURNITURE AND OTHER HISTORIC ARTIFACTS

THAT PLAYED A DISTINCTIVE PART IN THE HISTORY OF EARLY SPANISH, MEXICAN AND AMERICAN

CALIFORNIA.

THE ORGANIZATION'S MISSION IS TO SHARE THE HISTORY AND THE DIVERSE LEGACIES OF

PEOPLE, STORIES, AND PLACES THAT CONTINUE TO SHAPE MONTEREY.

PART V, LINE 4 - INTENDED USES OF ENDOWMENT FUND

GENERAL AND RESTRICTED USES, AS DICTATED BY THE DONORS.

Part XIV Supplemental Information (continued)

SCHEDULE G
(Form 990 or 990-EZ)

**Department of the Treasury
Internal Revenue Service**

Supplemental Information Regarding Fundraising or Gaming Activities

OMB No 1545-0047

2010

**Open to Public
Inspection**

Complete if the organization answered 'Yes' to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.

Name of the organization

Employer identification number

MONTEREY HISTORY AND ART ASSOCIATION LTD

| 94-1517208

Part I **Fundraising Activities.** Complete if the organization answered 'Yes' to Form 990, Part IV, line 17. Form 990-EZ filers are not required to complete this part

1. Indicate whether the organization raised funds through any of

1. Indicate whether the organization raised funds through any of

1 Indicate whether the organization raised funds through any of the following activities Check all that apply

- a Mail solicitations
- b Internet and email solicitations
- c Phone solicitations
- d In-person solicitations
- e Solicitation of non-government grants
- f Solicitation of government grants
- g Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services? Yes No

b If 'Yes,' list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in column (i)	(vi) Amount paid to (or retained by) organization
1		Yes	No			
2						
3						
4						
5						
6						
7						
8						
9						
10						

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

Part II Fundraising Events. Complete if the organization answered 'Yes' to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6a. List events with gross receipts greater than \$5,000.

	(a) Event #1 <u>MERIENDA EVENT</u> (event type)	(b) Event #2 <u>LOS AMIGOS EVE</u> (event type)	(c) Other events (total number)	(d) Total events (add column (a) through column (c))
1 Gross receipts	24,458.	8,155.		32,613.
2 Less: Charitable contributions				
3 Gross income (line 1 minus line 2)	24,458.	8,155.		32,613.
4 Cash prizes				
5 Noncash prizes				
6 Rent/facility costs				
7 Food and beverages				
8 Entertainment				
9 Other direct expenses	17,381.	5,042.		22,423.
10 Direct expense summary Add lines 4- through 9 in column (d)				22,423.
11 Net income summary Combine line 3, column (d), and line 10				10,190.

Part III Gaming. Complete if the organization answered 'Yes' to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

	(a) Bingo	(b) Pull tabs/Instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add column (a) through column (c))
1 Gross revenue				
2 Cash prizes				
3 Non-cash prizes				
4 Rent/facility costs				
5 Other direct expenses				
6 Volunteer labor	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	<input type="checkbox"/> Yes _____ % <input type="checkbox"/> No	
7 Direct expense summary Add lines 2 through 5 in column (d)				
8 Net gaming income summary Combine lines 1, column (d) and line 7				

9 Enter the state(s) in which the organization operates gaming activities _____

a Is the organization licensed to operate gaming activities in each of these states?

Yes No

b If 'No,' explain _____

10a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?

Yes No

b If 'Yes,' explain _____

11 Does the organization operate gaming activities with nonmembers? Yes No

12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming? Yes No

13 Indicate the percentage of gaming activity operated in:

- a The organization's facility
- b An outside facility

14 Enter the name and address of the person who prepares the organization's gaming/special events books and records

Name ►

Address ►

15a Does the organization have a contact with a third party from whom the organization receives gaming revenue? Yes No
b If 'Yes,' enter the amount of gaming revenue received by the organization ► \$ _____ and the amount of gaming revenue retained by the third party ► \$ _____
c If 'Yes,' enter name and address of the third party _____

Name ►

Address ►

16 Gaming manager information

Name ►

Gaming manager compensation ► \$

Description of services provided ►

Director/officer Employee Independent contractor

17 Mandatory distributions

a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license? Yes No

b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ► \$

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

SCHEDULE O
(Form 990 or 990-EZ)

Department of the Treasury
Internal Revenue Service

Supplemental Information to Form 990 or 990-EZ

OMB No 1545-0047

2010

Open to Public
Inspections

Complete to provide information for responses to specific questions on
Form 990 or 990-EZ or to provide any additional information.
► Attach to Form 990 or 990-EZ.

Name of the organization

MONTEREY HISTORY AND ART ASSOCIATION LTD

Employer identification number

94-1517208

FORM 990, PART VI, LINE 5 - DESCRIPTION OF MATERIAL DIVERSION OF ASSETS

IN THE FISCAL YEAR ENDING SEPTEMBER 30, 2011, MONTEREY HISTORY AND ART ASSOCIATION, LTD., COMPLETED ITS INVESTIGATION INTO CERTAIN MISMANAGEMENT AND MISUSE OF THE ASSOCIATION'S ASSETS ALLEGED TO HAVE OCCURRED IN PRIOR REPORTING PERIODS AND OF WHICH THE ASSOCIATION BECAME AWARE IN ITS FISCAL YEAR ENDED SEPTEMBER 30, 2009. THERE WAS NO MISMANAGEMENT OR MISUSE OF FUNDS ALLEGED TO HAVE OCCURRED IN THE ASSOCIATION'S FISCAL YEAR ENDED SEPTEMBER 30, 2010.

AN INVESTIGATION WAS CONDUCTED INTO ALLEGATIONS THAT A FORMER PART-TIME EMPLOYEE USED ASSOCIATION OFFICE SPACE AND RESOURCES (I.E. COPY MACHINES, TELEPHONES AND OFFICE SUPPLIES) FOR SUCH EMPLOYEE'S UNRELATED BUSINESS ACTIVITIES AND POSSIBLY OVERCHARGED FOR SUCH EMPLOYEE'S SERVICES. THE ASSOCIATION DETERMINED THAT THERE ARE NO RECORDS WHICH SUPPORT A FINDING THAT THE FORMER EMPLOYEE OVER-CHARGED FOR SERVICES, AND THAT ANY USE OF THE ASSOCIATION'S FACILITIES, UTILITIES AND OFFICE SUPPLIES FOR THE FORMER EMPLOYEE'S UNRELATED BUSINESS ACTIVITIES WAS INCAPABLE OF BEING MONETIZED AND NOT LIKELY TO BE MATERIAL. THE EMPLOYEE'S EMPLOYMENT WAS TERMINATED IN THE FISCAL YEAR ENDED SEPTEMBER 30, 2009.

THE ASSOCIATION HAS INVESTIGATED AND RESPONDED TO ALLEGATIONS THAT ITS COLLECTIONS WERE NOT ADEQUATELY DOCUMENTED AND PROTECTED FROM MISAPPROPRIATION BY UNDERTAKING TO CATALOGUE ITS COLLECTIONS AND IMPLEMENTING POLICIES TO PROTECT ITS COLLECTIONS. FURTHER, THE ASSOCIATION HAS DETERMINED THAT THERE IS INSUFFICIENT EVIDENCE TO SUPPORT A FINDING THAT ANY ITEM IS MISSING FROM OR HAS BEEN MISAPPROPRIATED FROM ITS COLLECTIONS.

THE ASSOCIATION INVESTIGATED ALLEGATIONS THAT, IN 2003, A FORMER EMPLOYEE FORGED A
BAA For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ TEEA4901L 10/26/10 Schedule O (Form 990 or 990-EZ) 2010

Name of the organization

MONTEREY HISTORY AND ART ASSOCIATION LTD

Employer identification number

94-1517208

FORM 990, PART VI, LINE 5 - DESCRIPTION OF MATERIAL DIVERSION OF ASSETS (CONTINUED)

CHECK IN THE AMOUNT OF APPROXIMATELY \$900 AND SUBMITTED A FRAUDULENT INVOICE. THE ASSOCIATION DETERMINED THAT THE ALLEGATIONS COULD NOT BE PROVEN BASED ON THE EVIDENCE RETAINED, THAT THE STATUTE OF LIMITATIONS FOR BRINGING ANY LEGAL ACTION AGAINST THE FORMER EMPLOYEE HAS RUN, AND THAT THE AMOUNTS INVOLVED WERE NOT MATERIAL. THE ASSOCIATION HAS IMPLEMENTED POLICIES PURSUANT TO WHICH 2 SIGNATURES ARE REQUIRED FOR ALL CHECKS OVER \$700.

THE ASSOCIATION INVESTIGATED ALLEGATIONS THAT, IN 1999, 2000 AND 2001, A FORMER EMPLOYEE USED THE ASSOCIATION'S CREDIT CARDS FOR PERSONAL EXPENSES AND SUBMITTED FRAUDULENT INVOICES TO THE ASSOCIATION FOR PAYMENT. THE ASSOCIATION DETERMINED THAT THERE IS INSUFFICIENT EVIDENCE TO SUPPORT THE ALLEGATIONS. FURTHER, THE STATUTE OF LIMITATIONS HAS RUN ON BRINGING A CLAIM AGAINST THE FORMER EMPLOYEE AND SUCH EMPLOYEE'S EMPLOYMENT WAS TERMINATED OVER TEN YEARS AGO. THE ASSOCIATION HAS ADOPTED POLICIES THAT CONTROL THE USE OF CREDIT CARDS, PROVIDE FOR THE MONITORING OF INVOICES AND OTHER EXPENSES ON A REGULAR BASIS, AND PROVIDE FOR SPECIFIC SPENDING LIMITS.

FORM 990, PART VI, LINE 6 - EXPLANATION OF CLASSES OF MEMBERS OR SHAREHOLDER

THE ASSOCIATION HAS MEMBERS THAT FOR A MEMBERSHIP FEE ARE ENTITLED TO FEE ADMISSION TO THE MUSEUM, EARLY INVITATION TO CERTAIN EVENTS AND EXHIBITS AND ENTITLED TO PARTICIPATE IN THE ANNUAL MEETING.

FORM 990, PART VI, LINE 7A - HOW MEMBERS OR SHAREHOLDERS ELECT GOVERNING BODY

THE MEMBERS ARE ALLOWED TO PARTICIPATE IN THE ANNUAL BOARD MEETING INCLUDING THE ELECTION OF OFFICERS.

FORM 990, PART VI, LINE 7B - DECISIONS OF GOVERNING BODY APPROVAL BY MEMBERS OR SHAREHOLDERS

THE MEMBERS ARE ALLOWED TO PARTICIPATE IN THE ANNUAL BOARD MEETING INCLUDING THE ELECTION OF OFFICERS.

Name of the organization

MONTEREY HISTORY AND ART ASSOCIATION LTD

Employer identification number

94-1517208

FORM 990, PART VI, LINE 11B - FORM 990 REVIEW PROCESS

FORMS ARE CIRCULATED BY EMAIL TO ALL BOARD MEMBERS FOR REVIEW AND COMMENT - BOARD MEETING, EITHER IN PERSON OR BY E-MAIL/TELEPHONE CONFERENCE IS HELD, MOTION TO APPROVE OR CHANGE, SECOND, DISCUSSION AND VOTE BY EMAIL OR IN PERSON. MINUTES MAINTAINED.

FORM 990, PART VI, LINE 12C - EXPLANATION OF MONITORING AND ENFORCEMENT OF CONFLICTS

COMPLIANCE IS CONTINUALLY MONITORED BY THE BOARD AND BY THE COMPLIANCE COMMITTEE. COMPLIANCE COMMITTEE MEETS TO DISCUSS, INVESTIGATE AND RECOMMEND TO BOARD ON ANY ISSUES.

FORM 990, PART VI, LINE 15A - COMPENSATION REVIEW & APPROVAL PROCESS FOR CEO, EXEC. DIR., OR TOP MGT
THE BOARD OF DIRECTORS OR A COMMITTEE OF BOARD MEMBERS REVIEW COMPARABLE SALARY DATA TO REVIEW AND APPROVE SALARIES.**FORM 990, PART VI, LINE 15B - COMPENSATION REVIEW & APPROVAL PROCESS FOR OFFICERS & KEY EMPLOYEES**
THE BOARD OF DIRECTORS OR A COMMITTEE OF BOARD MEMBERS REVIEW COMPARABLE SALARY DATA TO REVIEW AND APPROVE SALARIES.**FORM 990, PART VI, LINE 19 - OTHER ORGANIZATION DOCUMENTS PUBLICLY AVAILABLE**

AVAILABLE UPON REQUEST.

2010

SCHEDULE A, PART IV - SUPPLEMENTAL INFORMATION PAGE 5

MONTEREY HISTORY AND ART ASSOCIATION LTD

94-1517208

PART II, LINE 10 - OTHER INCOME

<u>NATURE AND SOURCE</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
OTHER INCOME	17,093.				
TOTAL	\$ 17,093.	\$ 0.	\$ 0.	\$ 0.	\$ 0.

2010

SCHEDULE O - SUPPLEMENTAL INFORMATION

PAGE 2

MONTEREY HISTORY AND ART ASSOCIATION LTD

94-1517208

FORM 990, PART XI, LINE 5
OTHER CHANGES IN NET ASSETS OR FUND BALANCES

DONATED SERVICES AND USE OF FACILITIES	\$ 37,800.
DONATED SERVICES AND USE OF FACILITIES - EXPENSE	-37,800.
NET UNREALIZED GAINS OR LOSSES ON INVESTMENTS	-8,398.
TOTAL \$	<u>-8,398.</u>